

Lee Golub  
EXECUTIVE VICE PRESIDENT

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GOLUB

**GOLUB & COMPANY***Real Estate Investment and Development*

October 27, 2000

Mr. Tom Pabian  
Capital Associates Realty Advisors  
1201 North Clark Street  
Suite 300  
Chicago, Illinois 60610-2270

**VIA MESSENGER**

Re: *Time-Life Site*  
*Chicago, Illinois*

Dear Tom:

As you know, Golub & Company has been under contract to purchase the above referenced land since February 9, 2000. During our Phase I and subsequent Phase II environmental reports, the presence of radioactive thorium on the site was identified. Since early summer, 2000, we have been waiting for an appropriate action plan to clean up the site which in turn would allow us to close on the land.

Also, as you know, we had our architectural and development team working towards completion of plans which would allow for our eventual development of the Property. We stopped our work on or about the date the radioactive thorium on the site was discovered. We also were working towards final financial arrangements with our equity partner and have had to cease those negotiations due to an unknown date for the land closing.

Finally, the high-rise residential rental market, which, at the time of our contract execution, was very strong, has seen new construction occur with many other planned developments nearing ground-breaking. Any significant further delays could cause us to miss a very favorable market condition and jeopardize our being able to move forward with our proposed development. In order for this development to stay on track, we need to have a clean up plan approved by the U.S. EPA and work commenced under that approved plan no later than March 1, 2001 so that the construction work can follow shortly thereafter.

At this point in time, our goal is to move forward with the project, assuming that clean up can proceed as noted above. Please call me to discuss the status of your latest negotiations with both the U.S. EPA and Kerr-McGee.

Best Regards,

Golub &amp; Company



Lee Golub  
Executive Vice President

cc: Michael Newman  
Terry McKay